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May 4, 2017

Public Utility Commission of Oregon Filing Center 201 High Street SE, Suite 100 P.O. Box 1088 Salem, Oregon 97301

Re: Gateway West Transmission Updates: 1st Quarter 2017

Attention Filing Center:

Enclosed please find the 1st Quarter 2017 Transmission Updates report regarding the Gateway West transmission project developed jointly between PacifiCorp and Idaho Power Company. This update provides a description of the developments that transpired in the fourth quarter of 2016.

This filing should be forwarded to Michael Breish, Senior Utility Analyst, and Michael Dougherty, Chief Operating Officer. If you have any questions, please contact Courtney Waites, Senior Regulatory Analyst, at 208-388-5612.

Very truly yours,

Lin D. Madotrom

Lisa D. Nordstrom

LDN/kkt

Enclosure

cc: Mitch Colburn Mark Stokes



Idaho Power Company's Gateway West Transmission Update for 1st Quarter 2017 May 4, 2017

In late 2013, Staff of the Public Utility Commission of Oregon ("Commission") requested¹ that Idaho Power Company ("Idaho Power" or "Company") provide quarterly updates regarding the Energy Gateway West transmission project developed jointly between PacifiCorp and Idaho Power ("Companies"). Staff requested that, for <u>each</u> sub-segment² of this project, the Company provide a description of the developments³ that transpired in the previous quarter.

Recent Project Developments

Segment 8 is located between the Midpoint substation and the Hemingway substation and segment 9 is located between the proposed Cedar Hill substation and Hemingway substation. These segments were not covered by the previous Record of Decision ("ROD") issued on November 14, 2013. Because of their importance to the Gateway West project and to Idaho Power's interest in the project, no additional permitting (state or local), regulatory activities, or other events were being pursued by Idaho Power until the Bureau of Land Management ("BLM") provided its ROD on these two sub-segments.

On October 7, 2016, the BLM released the final Supplemental EIS ("FSEIS") for segments 8 and 9 in southwestern Idaho. In the FSEIS, the BLM selected Alternative 5, which is different from the routes proposed by the Companies and the Boise District Resource Advisory Committee ("RAC") subcommittee. Recall, in December 2013, the RAC subcommittee convened to look at route options for segments 8 and 9 due to concerns about potential impacts within the Morley Nelson Snake River Birds of Prey National Conservation Area and adjacent private lands. The Companies subsequently adopted the RAC's recommended routes for both segments.

The FSEIS and supporting appendices can be accessed from the Idaho BLM website at: <u>https://www.blm.gov/programs/nepa-and-planning/plans-in-development/idaho/gateway-west-transmission-line</u>

On January 20, 2017, the BLM published the ROD for the final two segments, segments 8 and 9 with Alternative 5 as the agency preferred route. Western Watershed Project and the Wildlands Defense and Prairie Falcon Audubon filed appeals and motions for stay with the Interior Board of Land Appeals ("IBLA"). The State of Idaho and Owyhee County also filed appeals. The IBLA denied motions for stay submitted by both Western Watershed Project and the Wildlands Defense and Prairie Falcon Audubon. The IBLA based its decision on both appellant's inability to demonstrate any likelihood of immediate and irreparable harm.

¹ Commission Staff Data Request No. 1, Transmission Updates Docket, dated December 17, 2013.

² Segment E comprised by the following sub-segments: Hemingway to Cedar Hill, Hemingway to Midpoint, Midpoint to Cedar Hill, Midpoint to Borah, Borah to Populus, Cedar Hill to Populus; and Segment D comprised by the following sub-segments: Populus to Bridger, Bridger to Aeolus, and Aeolus to Windstar.

³ By developments, Commission Staff means any federal, state, and local permitting, regulatory, and other events.

In early March, State of Idaho Governor Otter sent a letter asking Secretary of the Interior Zinke to rescind and amend the January ROD so the routes for segments 8 and 9 could be changed to the routes preferred by the State of Idaho, the project proponents, and Owyhee County. On April 17, 2017, Washington BLM acted on Governor Otter's request and the January 2017 Gateway West ROD for segments 8 and 9 was officially rescinded and remanded back to Idaho BLM for further consideration. The IBLA subsequently dismissed all the existing motions and appeals from Western Watersheds Projects, Wildlands Defense and Prairie Falcon Audubon, Owyhee County, and the State of Idaho. Based on discussions with Rocky Mountain Power, Idaho Power estimates that it could take up to six months for the Idaho BLM to issue a new ROD. Once the ROD is issued, the Companies will work with the BLM to get the right-of-way grant in place for segments 8 and 9.